
Tobin & Co.

Leland Township

Leelanau County, Michigan

Audit Report

For the Year Ended March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Leland Township	County Leelanau
Audit Date 3/31/04	Opinion Date 9/22/04	Date Accountant Report Submitted to State: 9/28/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised SEP 29 2004.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes and the report of comments and recommendations.

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) Tobin & Co., P.C.			
Street Address 400 E. Eighth St.		City Traverse City	State MI
Accountant Signature David T. Paul		ZIP 49686	Date

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INTRODUCTORY SECTION

Tobin & Co.

Comments and Recommendations

We have audited the general purpose financial statements of Leland Township, Leelanau County, for the year ended March 31, 2004 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Leland Township taken as a whole. In the course of our examination, we noted some shortcomings in the Township accounting and internal control procedures and we addressed these shortcomings in a separate letter to the Board. As a result of our examination, we deem it necessary to make the following comments and recommendations.

General

Accounting records were maintained in good order. Recorded revenues, except for the Harbor receipts, were deposited timely and intact and bank accounts were reconciled on a regular basis. Required journals and ledgers were maintained. Follow-up procedures appeared good.

Budgets and Procedures

The Township prepared and adopted budgets for its General, Special Revenue, and Enterprise Funds. See Note 2C of the Notes to Financial Statements.

General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance at March 31, 2004 was \$247,302, a decrease of \$42,379 from the adjusted balance at March 31, 2003.

Metro Authority Fund

This fund, presented on Schedule 4 is used to account for state shared revenues under the new Metropolitan Authority Act restricted to right-of-way expenditures.

Fire and Rescue Fund

This Fund, presented on Schedule 5, is used to account for the special voted tax of .3388 mil for fire protection. Revenues amounted to \$84,185 for the audit year. The fund balance at March 31, 2004 was \$82,887, a decrease of \$17,293 from the adjusted balance at March 31, 2003.

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Comments and Recommendations

Liquor Law Enforcement Fund

This fund, presented on Schedule 6, is used to account for liquor license fees refunded by the State of Michigan. These fees may be used only for enforcement of the State liquor laws. Expenditures exceeded revenues by \$1,316 for the audit year, and the fund balance at March 31, 2004 was \$13,590.

Library Fund

This fund, presented on Schedule 7, is used to account for revenues specifically designated for operations and maintenance of the Township Library. Expenditures exceeded revenues and a transfer of \$52,700 from the General Fund by \$15,013 for the audit year. The fund balance at March 31, 2004 was \$184,519.

Marina Improvement Fund

This Fund, presented on Schedule 8, is used to account for interest earnings and monies transferred from the Marina Fund set aside for capital improvements. Revenues exceeded expenditures by \$4,331. The fund balance at March 31, 2004 was \$409,975.

Fire Building and Equipment Fund

This Fund, presented on Schedule 9, is used to account for the special voted tax of .3388 mil for fire equipment replacement. Revenues amounted to \$86,994 for the audit year. Expenditures consisted of a transfer out of \$19,770 to the Fire and Rescue Fund for purchase of new doors and equipment. The fund balance at March 31, 2004 was \$328,138.

Sewer Fund

This Fund, presented on Schedules 10, 11, 12, 13 and 14, is used to account for the operations and debt retirement relative to the Township sewer system. Retained earnings at March 31, 2004 were \$566,081.

Marina Fund

This Fund, presented on Schedules 10, 11, 12, 15 and 16, is used to account for operations of the Township Marina. Retained earnings at March 31, 2004 was \$635,135.

General Fixed Assets

The Statement of Changes in General Fixes Assets (land, buildings, and equipment) is presented in Note 6 of the Notes to Financial Statements. Inventory records are to be updated at least annually.

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Comments and Recommendations

Property Tax Collections

The collection and distribution of the 2003 tax levy was handled by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period except for the final distribution were in accordance with statutory requirements.

See Schedule 18 for a summary of the 2003 property tax levy and collections.

Payroll Procedures

Payroll records were well maintained by the Township Clerk. Social Security and Medicare taxes are being withheld as required by statute.

Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and the Michigan Municipal League Workmen's Compensation Fund and has such coverage as Fire and Extended Coverage, General Liability, Errors and Omissions, Workmen's Compensation, Equipment and Crime coverage. Board minutes indicated that coverage was reviewed during the audit year. The Clerk, Treasurer, their deputies and the Supervisor have specific surety bond coverage and the Township has a blanket surety bond for other employees.

Other Data

We are pleased to note the use of interest bearing depository accounts. This practice resulted in earned interest of over \$31,192 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After the completion of our audit, we will mail two (2) copies of this report to the State Department of Treasury.

We appreciate the courtesy extended our field auditors in the course of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITOR

To the Township Board
Leland Township
Leelanau County
Leland, Michigan 49654

We have audited the accompanying general purpose financial statements of Leland Township as of and for the year ended March 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of Leland Township, Leelanau County at March 31, 2004, and the results of operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Leland Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Tobin & Co., P.C.
September 22, 2004

Combined Balance Sheet – All Fund Types and Account GroupsMarch 31, 2004

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>
<u>Assets</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Funds</u>
Cash in Bank	\$ 215,141	\$ 979,690	\$ 456,636
Investments	-	35,668	-
Accounts Receivable	-	-	121,352
Taxes Receivable - Delinquent	13,827	18,371	9,901
Special Assessments Receivable:			
Current	-	-	1,872
Due from Other Funds	43,234	8,289	9,319
Land and Improvements	-	-	-
Sewer and Marina Projects	-	-	7,879,510
Accumulated Depreciation -			
Sewer and Marina Projects	-	-	(1,956,723)
Buildings and Improvements	-	-	-
Machinery and Equipment	-	-	-
Office Furniture and Equipment	-	-	-
Vehicles	-	-	-
Total Assets	<u>\$ 272,202</u>	<u>\$ 1,042,018</u>	<u>\$ 6,521,867</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Fiduciary Fund Types		Account Groups	
Perpetual Care Fund	Current Tax Collection Fund	General Fixed Assets	Total (Memo Only)
\$ 500	\$ 636,225	\$ -	\$ 2,288,192
-	-	-	35,668
-	-	-	121,352
-	-	-	42,099
-	-	-	1,872
-	-	-	60,842
-	-	1,302,949	1,302,949
-	-	-	7,879,510
-	-	-	(1,956,723)
-	-	260,591	260,591
-	-	625,239	625,239
-	-	55,571	55,571
-	-	601,051	601,051
<u>\$ 500</u>	<u>\$ 636,225</u>	<u>\$ 2,845,401</u>	<u>\$11,318,213</u>

Leland TownshipExhibit ACombined Balance Sheet – All Fund Types and Account GroupsMarch 31, 2004

<u>Liabilities and Fund Equity</u>	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Funds</u>
Liabilities:			
Accounts Payable	\$ 11,073	\$ -	\$ 149
Assessment Payable	-	-	3,863
Deferred Revenue	13,827	18,372	53,871
Bonds Payable	-	-	1,225,000
Due to Other Funds	-	2,989	10,954
Undistributed Taxes	-	-	-
Total	<u>24,900</u>	<u>21,361</u>	<u>1,293,837</u>
Fund Equity:			
Investment in General Fixed Assets	-	-	-
Contributed Capital	-	-	4,026,814
Retained Earnings – Unreserved	-	-	1,201,216
Fund Balance – Unrestricted	247,302	1,010,379	-
Fund Balance – Restricted	-	10,278	-
Total	<u>247,302</u>	<u>1,020,657</u>	<u>5,228,030</u>
Total Liabilities and Fund Equity	<u>\$ 272,202</u>	<u>\$ 1,042,018</u>	<u>\$ 6,521,867</u>

The Notes to the Financial Statements are an integral part of this statement.

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Fiduciary Fund Types		Account Groups	Total
Perpetual Care Fund	Current Tax Collection Fund	General Fixed Assets	(Memo Only)
\$ -	\$ -	\$ -	\$ 11,222
-	-	-	3,863
-	-	-	86,070
-	-	-	1,225,000
-	46,899	-	60,842
-	<u>589,326</u>	-	<u>589,326</u>
-	<u>636,225</u>	-	<u>1,976,323</u>
-	-	2,845,401	2,845,401
-	-	-	4,026,814
-	-	-	1,201,216
-	-	-	1,257,681
<u>500</u>	-	-	<u>10,778</u>
<u>500</u>	-	<u>2,845,401</u>	<u>9,341,890</u>
<u>\$ 500</u>	<u>\$ 636,225</u>	<u>\$ 2,845,401</u>	<u>\$11,318,213</u>

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Leland Township

Exhibit B

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

All Governmental Fund Types

For the Year Ended March 31, 2004

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total (Memo Only)</u>
<u>Revenues</u>			
Taxes	\$ 128,032	\$ 168,344	\$ 296,376
Licenses and Permits	4,795	-	4,795
State Grants	135,656	7,686	143,342
Charges for Services	35,472	28,768	64,240
Fines and Forfeits	-	17,597	17,597
Interest and Rents	13,237	15,388	28,625
Other	<u>1,451</u>	<u>22,289</u>	<u>23,740</u>
Total	<u>318,643</u>	<u>260,072</u>	<u>578,715</u>
<u>Expenditures</u>			
Legislative	27,674	-	27,674
General Government	113,489	-	113,489
Public Safety	33,613	127,830	161,443
Public Works	22,404	-	22,404
Recreation and Cultural	42,304	119,343	161,647
Other	30,748	-	30,748
Capital Outlay	<u>38,090</u>	<u>26,118</u>	<u>64,208</u>
Total	<u>308,322</u>	<u>273,291</u>	<u>581,613</u>
<u>Excess Revenues (Expenditures)</u>	<u>10,321</u>	<u>(13,219)</u>	<u>(2,898)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	72,470	72,470
Operating Transfers (Out)	<u>(52,700)</u>	<u>(19,770)</u>	<u>(72,470)</u>
Total	<u>(52,700)</u>	<u>52,700</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>(42,379)</u>	<u>39,481</u>	<u>(2,898)</u>
<u>Fund Balance</u> – Beginning of Year	168,845	813,155	982,000
<u>Prior Period Adjustment</u>	<u>120,836</u>	<u>168,021</u>	<u>288,857</u>
<u>Fund Balance</u> – End of Year	<u>\$ 247,302</u>	<u>\$ 1,020,657</u>	<u>\$ 1,267,959</u>

The Notes to the Financial Statements are an integral part of this statement

Combined Statement of Revenues, Expenditures and Changes in Fund BalanceBudget and ActualGeneral and Special Revenue FundsFor the Year Ended March 31, 2004

	<u>General Fund</u>		
	<u>Amended</u>		<u>Favorable</u>
<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Taxes	\$ 129,443	\$ 128,032	\$ (1,411)
Licenses and Permits	2,700	4,795	2,095
State Grants	132,300	135,656	3,356
Charges for Services	35,120	35,472	352
Fines and Forfeits	-	-	-
Interest and Rents	11,000	13,237	2,237
Other	4,500	1,451	(3,049)
Total	<u>315,063</u>	<u>318,643</u>	<u>3,580</u>
<u>Expenditures</u>			
Legislative	23,126	27,674	(4,548)
General Government	121,377	113,489	7,888
Public Safety	27,303	33,613	(6,310)
Public Works	22,675	22,404	271
Recreation and Cultural	40,600	42,304	(1,704)
Other	31,450	30,748	702
Capital Outlay	46,523	38,090	8,433
Total	<u>313,054</u>	<u>308,322</u>	<u>4,732</u>
<u>Excess Revenues (Expenditures)</u>	<u>2,009</u>	<u>10,321</u>	<u>8,312</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	(52,700)	(52,700)	-
Total	<u>(52,700)</u>	<u>(52,700)</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and</u>			
<u>Other Financing Sources (Uses)</u>	(1) <u>\$ (50,691)</u>	<u>(42,379)</u>	<u>\$ 8,312</u>
<u>Fund Balance – Beginning of Year</u>		168,845	
<u>Prior Period Adjustment</u>		120,836	
<u>Fund Balance – End of Year</u>		<u>\$ 247,302</u>	

(1) Budgeted from Fund Balance

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Special Revenue Funds		
Amended Budget	Actual	Favorable (Unfavorable)
\$ 170,684	\$ 168,344	\$ (2,340)
-	-	-
6,594	7,686	1,092
27,100	28,768	1,668
17,617	17,597	(20)
6,124	15,388	9,264
<u>17,000</u>	<u>22,289</u>	<u>5,289</u>
<u>245,119</u>	<u>260,072</u>	<u>14,953</u>
-	-	-
-	-	-
111,410	127,830	(16,420)
-	-	-
118,261	119,343	(1,082)
-	-	-
<u>27,788</u>	<u>26,118</u>	<u>1,670</u>
<u>257,459</u>	<u>273,291</u>	<u>(15,832)</u>
<u>(12,340)</u>	<u>(13,219)</u>	<u>(879)</u>
104,462	72,470	(31,992)
<u>(19,770)</u>	<u>(19,770)</u>	<u>-</u>
<u>84,692</u>	<u>52,700</u>	<u>(31,992)</u>
<u>\$ 72,352</u>	39,481	<u>\$ (32,871)</u>
	813,155	
	<u>168,021</u>	
	<u>\$ 1,020,657</u>	

Tobin & Co.

Leland Township

Exhibit D

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types

For the Year Ended March 31, 2004

Operating Revenues

Charges for Services \$ 725,662

Total Operating Revenues 725,662

Operating Expenses

Salaries and Wages 71,838

Fringe Benefits 10,772

Supplies 9,028

Gas, Oil and Fuel 251,856

Contractual Services 83,247

Trash Removal 1,982

Legal and Auditing 2,491

Communications 4,271

Transportation and Travel 351

Printing and Publishing 908

Insurance and Bonds 10,025

Public Utilities 32,047

Maintenance and Repairs 23,151

Depreciation 168,343

Licenses and Fees 447

Other and Credit Card Fees 10,694

Administration Fee 12,000

Education 1,000

Interest 72,156

Total Operating Expenses 766,607

Operating Income (Loss) (40,945)

Interest Income 2,567

Total Non-operating Income (Expense) 2,567

Net Income (Loss) (38,378)

Depreciation Transferred to Contributions 89,302

Retained Earnings – Beginning of Year 1,150,292

Retained Earnings - End of Year \$ 1,201,216

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Exhibit E

Combined Statement of Cash Flows

All Proprietary Fund Types

For the Year Ended March 31, 2004

Operating Activities

Collection of Charges for Services	\$ 722,007
Collections of Special Assessments	2,042
Collections of Interest	2,567
Deduct Expenses Using Cash and Cash Equivalents	<u>(598,115)</u>
Net Cash Flow From Operating Activities	<u>128,501</u>

Capital Financing Activities

Advance to Other Funds	(4,540)
Principal Payments	<u>(175,000)</u>
Net Cash Flow (Used By) Capital Financing Activities	<u>(179,540)</u>

Net Increase (Decrease) in Cash (51,039)

Balance of Cash – Beginning of Year 507,675

Balance of Cash – End of Year \$ 456,636

Reconciliation of Net Income to Net Cash Flow From Operating Activities

Net Income (Loss)	\$ (38,378)
Add Depreciation	168,343
(Increase) in Receivables	(1,613)
Increase in Payables	<u>149</u>
Net Cash Flow From Operating Activities	<u>\$ 128,501</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Leland Township is a general law township located in Leelanau County. Population as of the 2000 census was 2,033, and the current State equalized valuation of the year of audit was \$477,074,385.

The Township's general purpose financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14 "*The Financial Reporting Entity*", includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, no other accounts have been included in this report.

B. Basis of Presentation

The financial activities of the Township are recorded in separate self-balancing funds and account groups categorized and described as follows:

Governmental Funds

General Fund – This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These Funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative actions.

Proprietary Fund Types

Enterprise Funds – These Funds are used to account for the financing of services provided to the general public where all or most of the costs involved are recovered through service charges to the users of such services.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fiduciary Fund Types

Trust and Agency – These Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Account Groups

General Fixed Assets – This account group presents the fixed assets of the Township utilized in its general operations (non-proprietary fixed assets).

C. Basis of Accounting

All governmental funds and agency funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized when received in cash except for those susceptible to accrual, which are recorded as receivables when measurable and as revenue when available to finance current operations. Significant revenues susceptible to accrual include property taxes, expenditure reimbursement type grants, certain intergovernmental revenues and operating transfers. Expenditures are recorded when the liability is incurred, except for interest on long-term debt, which is recorded when paid.

All Proprietary Funds are accounted for using an accrual basis of accounting. Under this method revenues are recognized when earned and expenses are recognized when incurred.

D. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Continued)

All Proprietary Funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with the activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. The Township applies all GASB pronouncements as well as the FASB pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

E. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Leland Township also prepares budgets for its Enterprise Funds. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the basis used to reflect actual results and consist only of those amounts contained in the formal budgets approved and amended by the Township.

In the body of the financial statements, the Township’s actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

F. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain general fixed assets consisting of roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems are excluded from general fixed assets because such items are immovable and of value only to the Township. General fixed assets are not subject to annual depreciation expense. Depreciation is recorded on proprietary fund assets using the straight-line method and these assets are accounted for in the proprietary fund itself.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fixed Assets and Long-Term Liabilities (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The Township does not capitalize construction period interest.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Long-term liabilities expected to be financed from proprietary funds are accounted for within these funds.

G. Property Tax Procedures and Collections

Properties are assessed as of December 31, and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect.

During the collection period prior to March 1, the Township Treasurer makes distribution of property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	<u>SEV</u>	<u>Taxable Value</u>	<u>Millage Rate</u>
General Operating	\$477,074,385	\$260,730,021	.5100
Fire Protection	\$477,074,385	\$260,730,021	.6776

H. Special Assessment Revenue

Special Assessment Revenue is recognized in the year of levy. The Township has elected to recognize advance payments of special assessments as revenue upon receipt rather than allocating a portion of such payments to each year's levy.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Total Column

The “total” column on the combined financial statements is captioned “memo only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund transactions have not been eliminated in the aggregation of this data.

J. Investments

Township investments at March 31, 2004 consisted of Money Market funds which are legal for direct investment by local units of government in Michigan.

K. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Township considers all short-term debt securities purchased with a remaining maturity of three months or less when purchased to be cash equivalents.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no material violations of related legal or contractual provisions.
- B. All Township funds have positive fund balances at March 31, 2004.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2004, the Township incurred expenditures in excess of amounts appropriated without formal budget amendment as follows:

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

General Fund:	Township Board	\$ 3,526
	Planning	6,603
Fire and Rescue Fund:	Lake Leelanau Station	3,763
	Leland Station	10,987
Library Fund:		1,082

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds, securities, and other direct obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
3. In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
4. Repurchase agreements consisting of instruments defined in (1) above.
5. In bankers' acceptances of United States Banks.
6. Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
7. In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

B. Types of Deposits and Investments

The Township had \$2,302,680 deposited with local financial institutions at March 31, 2004 with a carrying value of \$2,288,192. Interpreting the FDIC insurance coverage of \$100,000 per demand deposit account and \$100,000 per time deposit account in each depository, the Township had uninsured deposits of \$1,901,799 at March 31, 2004.

Investments of \$35,668 are carried at market value and are money market funds which are legal for direct investment by local units of government in Michigan.

NOTE 4 - ACCOUNTS RECEIVABLE

\$121,352 of accounts receivable represents uncollected sewer usage, connection and tap fees as of March 31, 2004.

NOTE 5 - LOANS AND TRANSFERS BETWEEN FUNDS

The following is a summary of interfund receivables/payables as of March 31, 2004:

Due From:	Fire and Rescue Fund	Sewer Fund	Marina Fund
Due To:			
General Fund	\$ 2,989	\$ 168	\$ 10,219
Fire and Rescue Fund	-	-	-
Fire Building and Equipment Fund	-	-	-
Sewer Fund	-	-	567
	<u>\$ 2,989</u>	<u>\$ 168</u>	<u>\$ 10,786</u>

Due From:	Current Tax Collection Fund	Total
Due To:		
General Fund	\$ 29,858	\$ 43,234
Fire and Rescue Fund	4,145	4,145
Fire Building and Equipment Fund	4,144	4,144
Sewer Fund	<u>8,752</u>	<u>9,319</u>
	<u>\$ 46,899</u>	<u>\$ 60,842</u>

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 6 - STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	<u>03/31/03</u>	<u>Additions</u>	<u>Dispo- sitions</u>	<u>03/31/04</u>
Land and Improvements	\$1,298,776	\$ 4,173	\$ -	\$1,302,949
Building and Improvements	253,191	7,400	-	260,591
Machinery and Equipment	602,290	22,949	-	625,239
Office Furniture & Equip.	42,751	12,820	-	55,571
Vehicles	<u>584,184</u>	<u>16,867</u>	<u>-</u>	<u>601,051</u>
Total	<u>\$2,781,192</u>	<u>\$ 64,209</u>	<u>\$ -</u>	<u>\$2,845,401</u>

NOTE 7 - LONG-TERM DEBT

On November 1, 1991, Leelanau County issued \$2,900,000 of sewage disposal bonds at interest rates ranging from 9.375% to 4.375% with principal payments due May 1 and interest payments due May 1 and November 1. The proceeds were used to construct a sanitary sewer system in Leland Township.

Changes in long-term debt consist of retirement of \$175,000 of the above bonds.

Debt service requirements to maturity:

	<u>Enterprise Funds</u> <u>Sewage Disposal Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 200,000	\$ 59,744
2005	200,000	46,844
2006	200,000	33,844
2007	200,000	22,969
2008	200,000	14,219
2009	200,000	5,469
2010	<u>25,000</u>	<u>546</u>
	<u>\$1,225,000</u>	<u>\$183,635</u>

NOTE 8 - INVENTORIES

Leland Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 9 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with the Manufacturers Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution in June 1969 and amended June 1996:

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum service requirement.
3. All elected officials and the assessor.

B. Contributions

1. A percentage of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

C. Vesting

1. Contributions are vested to the employee immediately upon early retirement, termination of service, death, disability, or normal retirement at 100% after 18 months of service.

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the year of audit, the total contribution was \$8,200. Covered payroll for the year was \$70,476 with total payroll for all employees of \$239,008. The plan was funded at the required contribution amount.

NOTE 10-DEFERRED COMPENSATION PLAN

Leland Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by Aetna Life and Annuity Co. and is available to all employees. The plan allows employees to defer a portion of their salary until a future date. It becomes available to the employee at death, retirement or disability. During the audit year one employee deferred compensation of \$3,120.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 11-COMPENSATED ABSENCES

Township employees do not earn compensated absences.

NOTE 12-CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities as of March 31, 2004.

NOTE 13-RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan and Burnham and Flowers Insurance Agency and Michigan Municipal League Workmen's Compensation Fund. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

NOTE 14-SEGMENT INFORMATION – ENTERPRISE FUND

The Township maintains two Enterprise funds one of which provides sewer services and the other marina services. Segment information for the year ended March 31, 2004 was as follows:

	<u>Sewer Fund</u>	<u>Marina Fund</u>
Operating Revenues	\$ 318,900	\$ 406,762
Depreciation, Depletion and Amortization Expense	141,323	27,020
Operating (Loss) Income	(18,257)	(22,688)
Net (Loss) Income	(17,190)	(21,188)
Net Working Capital	133,854	250,260
Total Assets	5,872,082	649,785
Bonds and Other Long-Term Liabilities:		
Payable from Operating Revenues	1,225,000	-
Total Equity	4,592,895	635,135

NOTE 15-PRIOR PERIOD ADJUSTMENT

Prior period adjustments of \$120,836 in the General Fund, \$80,283 in the Fire and Rescue Fund, and \$80,283 in the Fire Building and Equipment Fund result from change of property tax recognition policies to conform with accounting principles generally accepted in the United States of America.

Prior period adjustment of \$7,455 in the Library Fund results from an error in not previously recording a restricted investment balance.

Tobin & Co.

Leland Township

Notes to Financial Statements

March 31, 2004

NOTE 16-OPERATING LEASE

The Township rents its office facilities under a lease expiring July 19, 2008. Rent expense under the above and predecessor leases was \$10,368 for the year ended March 31, 2004.

Guaranteed lease payments under the above lease are as follows:

Year Ended March 31,	
2005	\$ 12,000
2006	12,000
2007	12,000
2008	12,000
2009	<u>4,000</u>
	<u>\$ 52,000</u>

SUPPLEMENTAL DATA SECTION

Tobin & Co.

Leland Township

Schedule 1

Page 1

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

<u>Revenues</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes:			
Property Taxes	\$ 128,443	\$ 127,001	\$ (1,442)
Penalties and Interest on Taxes	1,000	1,031	31
Licenses and Permits:			
Land Use Permits	2,700	4,795	2,095
State Grants:			
State Shared Revenues	132,300	135,656	3,356
Charges for Services:			
Summer Tax Collection	13,100	12,059	(1,041)
Fees	17,320	17,798	478
Sales	4,700	5,615	915
Interest and Rents:			
Interest	11,000	13,237	2,237
Other:			
Refunds and Reimbursements	<u>4,500</u>	<u>1,451</u>	<u>(3,049)</u>
Total Revenues	<u>315,063</u>	<u>318,643</u>	<u>3,580</u>
<u>Expenditures</u>			
Legislative:			
Township Board:			
Salaries and Wages	-	3,700	-
Supplies and Postage	-	420	-
Contractual Services	-	2,885	-
Legal Services	-	1,084	-
Audit and Accounting	-	2,718	-
Transportation and Travel	-	396	-
Printing and Publishing	-	1,377	-
Dues	-	4,055	-
Public Utilities	-	855	-
Maintenance and Repairs	-	865	-
Rent	-	6,693	-
Other	-	2,421	-
Education	<u>-</u>	<u>205</u>	<u>-</u>
Total Legislative	<u>23,126</u>	<u>27,674</u>	<u>(4,548)</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Schedule 1

Page 2

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>			
General Government:			
Township Supervisor:			
Salaries and Wages	-	17,960	-
Supplies and Postage	-	122	-
Transportation and Travel	-	309	-
Education and Training	-	190	-
Total	<u>19,200</u>	<u>18,581</u>	<u>619</u>
Elections:			
Supplies	-	89	-
Total	<u>300</u>	<u>89</u>	<u>211</u>
Assessor:			
Salaries and Wages	-	1,161	-
Supplies and Postage	-	1,255	-
Contractual Services	-	22,137	-
Total	<u>27,427</u>	<u>24,553</u>	<u>2,874</u>
Clerk:			
Salaries and Wages	-	25,527	-
Supplies and Postage	-	1,151	-
Telephone	-	1,716	-
Transportation and Travel	-	434	-
Maintenance and Repairs	-	300	-
Rent	-	2,850	-
Education	-	190	-
Total	<u>32,300</u>	<u>32,168</u>	<u>132</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 1

Page 3

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>			
General Government (Continued):			
Board of Review:			
Salaries and Wages	-	380	-
Printing and Publishing	-	157	-
Total	<u>1,050</u>	<u>537</u>	<u>513</u>
Treasurer:			
Salaries and Wages	-	22,403	-
Supplies and Postage	-	3,957	-
Telephone	-	69	-
Maintenance and Repairs	-	105	-
Other	-	850	-
Total	<u>30,700</u>	<u>27,384</u>	<u>3,316</u>
Cemetery:			
Salaries and Wages	-	3,981	-
Supplies	-	136	-
Printing and Publishing	-	42	-
Maintenance and Repairs	-	4,484	-
Transportation and Travel	-	66	-
Licenses and Fees	-	68	-
Other	-	1,400	-
Total	<u>10,400</u>	<u>10,177</u>	<u>223</u>
Total General Government	<u>121,377</u>	<u>113,489</u>	<u>7,888</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Schedule 1

Page 4

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued):</u>			
Public Safety:			
Planning:			
Salaries and Wages	-	17,213	-
Supplies	-	396	-
Contractual	-	5,882	-
Legal	-	6,941	-
Dues	-	550	-
Transportation and Travel	-	751	-
Printing and Publishing	-	730	-
Education and Training	-	105	-
Total	<u>25,728</u>	<u>32,568</u>	<u>(6,840)</u>
Zoning:			
Salaries and Wages	-	775	-
Supplies	-	12	-
Contractual	-	73	-
Printing and Publishing	-	70	-
Education and Training	-	115	-
Total	<u>1,575</u>	<u>1,045</u>	<u>530</u>
Total Public Safety	<u>27,303</u>	<u>33,613</u>	<u>(6,310)</u>
Public Works:			
Roads and Sidewalks – Contractual Services	<u>9,675</u>	<u>9,675</u>	<u>-</u>
Street Lighting – Contractual Services	<u>13,000</u>	<u>12,729</u>	<u>271</u>
Total Public Works	<u>22,675</u>	<u>22,404</u>	<u>271</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Schedule 1

Page 5

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued):</u>			
Recreation and Cultural:			
Parks and Recreation:			
Salaries and Wages	-	13,465	-
Supplies	-	1,111	-
Contractual Services	-	7,508	-
Trash Removal	-	2,625	-
Legal	-	240	-
Sewer Use	-	3,045	-
Transportation and Travel	-	143	-
Printing and Publishing	-	117	-
Public Utilities	-	833	-
Maintenance and Repairs	-	13,048	-
Licenses and Fees	-	92	-
Other	-	77	-
Total Recreation and Cultural	<u>40,600</u>	<u>42,304</u>	<u>(1,704)</u>
Other:			
Employee Benefits and Insurance	<u>31,450</u>	<u>30,748</u>	<u>702</u>
Capital Outlay	<u>46,523</u>	<u>38,090</u>	<u>8,433</u>
Total Expenditures	<u>313,054</u>	<u>308,322</u>	<u>4,732</u>
Excess Revenues (Expenditures)	<u>2,009</u>	<u>10,321</u>	<u>8,312</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	<u>(52,700)</u>	<u>(52,700)</u>	<u>-</u>
Total	<u>(52,700)</u>	<u>(52,700)</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) <u>\$ (50,691)</u>	<u>(42,379)</u>	<u>\$ 8,312</u>
Fund Balance – Beginning of Year		168,845	
Prior Period Adjustment		<u>120,836</u>	
Fund Balance – End of Year		<u>\$ 247,302</u>	

(1) Budgeted from Fund Balance

The Notes to the Financial Statements are an integral part of this statement

Leland Township

Schedule 2

Combining Balance Sheet

All Special Revenue Funds

March 31, 2004

<u>Assets</u>	<u>Metro Authority Fund</u>	<u>Fire and Rescue Fund</u>	<u>Liquor Law Enforcement Fund</u>
Cash in Bank	\$ 1,548	\$ 81,732	\$ 13,590
Investments	-	-	-
Delinquent Property Taxes Receivable	-	9,185	-
Due from Other Funds	-	4,145	-
Total Assets	<u>\$ 1,548</u>	<u>\$ 95,062</u>	<u>\$ 13,590</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Due to Other Funds	\$ -	\$ 2,989	\$ -
Deferred Revenue	-	9,186	-
Total Liabilities	-	12,175	-
Fund Equity:			
Fund Balance – Unrestricted	1,548	82,887	13,590
Fund Balance – Restricted	-	-	-
Total Fund Equity	<u>1,548</u>	<u>82,887</u>	<u>13,590</u>
Total Liabilities and Fund Equity	<u>\$ 1,548</u>	<u>\$ 95,062</u>	<u>\$ 13,590</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

<u>Library Fund</u>	<u>Marina Improvement Fund</u>	<u>Fire Building and Equipment Fund</u>	<u>Totals</u>
\$ 148,851	\$ 409,975	\$ 323,994	\$ 979,690
35,668	-	-	35,668
-	-	9,186	18,371
-	-	4,144	8,289
<u>\$ 184,519</u>	<u>\$ 409,975</u>	<u>\$ 337,324</u>	<u>\$ 1,042,018</u>
\$ -	\$ -	\$ -	\$ 2,989
-	-	9,186	18,372
-	-	9,186	21,361
174,241	409,975	328,138	1,010,379
10,278	-	-	10,278
<u>184,519</u>	<u>409,975</u>	<u>328,138</u>	<u>1,020,657</u>
<u>\$ 184,519</u>	<u>\$ 409,975</u>	<u>\$ 337,324</u>	<u>\$ 1,042,018</u>

Combining Statement of Revenues, Expenditures and Changes in Fund BalanceAll Special Revenue FundsFor the Year Ended March 31, 2004

<u>Revenues</u>	<u>Metro Authority Fund</u>	<u>Fire and Rescue Fund</u>	<u>Liquor Law Enforcement Fund</u>
Taxes:			
Current Property Taxes	\$ -	\$ 84,185	\$ -
State Grants:			
State Shared Revenues	1,548	-	-
State Aid	-	-	-
License Refunds from State	-	-	3,565
Charges for Services:			
Run Fees	-	23,782	-
Sales	-	-	-
Fines and Forfeits:			
Penal Fines	-	-	-
Book Fines	-	-	-
Interest and Rents:			
Interest	-	-	-
Other:			
Donations	-	-	-
Unrealized Gain on Investments	-	-	-
Realized Gain on Investments	-	-	-
Miscellaneous	-	100	119
Total	<u>1,548</u>	<u>108,067</u>	<u>3,684</u>
<u>Expenditures</u>			
Public Safety	-	122,830	5,000
Recreation and Culture	-	-	-
Capital Outlay	-	22,300	-
Total	<u>-</u>	<u>145,130</u>	<u>5,000</u>
<u>Excess Revenues (Expenditures)</u>	<u>1,548</u>	<u>(37,063)</u>	<u>(1,316)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	19,770	-
Operating Transfers (Out)	-	-	-
Total	<u>-</u>	<u>19,770</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>1,548</u>	<u>(17,293)</u>	<u>(1,316)</u>
<u>Fund Balance – Beginning of Year</u>	<u>-</u>	<u>19,897</u>	<u>14,906</u>
<u>Prior Period Adjustment</u>	<u>-</u>	<u>80,283</u>	<u>-</u>
<u>Fund Balance – End of Year</u>	<u>\$ 1,548</u>	<u>\$ 82,887</u>	<u>\$ 13,590</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

<u>Library Fund</u>	<u>Marina Improvement Fund</u>	<u>Fire Building and Equipment Fund</u>	<u>Totals</u>
\$ -	\$ -	\$ 84,159	\$ 168,344
-	-	-	1,548
2,573	-	-	2,573
-	-	-	3,565
3,244	-	-	27,026
1,742	-	-	1,742
17,417	-	-	17,417
180	-	-	180
8,222	4,331	2,835	15,388
15,933	-	-	15,933
2,686	-	-	2,686
3,451	-	-	3,451
-	-	-	219
<u>55,448</u>	<u>4,331</u>	<u>86,994</u>	<u>260,072</u>
-	-	-	127,830
119,343	-	-	119,343
3,818	-	-	26,118
<u>123,161</u>	<u>-</u>	<u>-</u>	<u>273,291</u>
<u>(67,713)</u>	<u>4,331</u>	<u>86,994</u>	<u>(13,219)</u>
52,700	-	-	72,470
-	-	(19,770)	(19,770)
<u>52,700</u>	<u>-</u>	<u>(19,770)</u>	<u>52,700</u>
(15,013)	4,331	67,224	39,481
192,077	405,644	180,631	813,155
7,455	-	80,283	168,021
<u>\$ 184,519</u>	<u>\$ 409,975</u>	<u>\$ 328,138</u>	<u>\$ 1,020,657</u>

Tobin & Co.

Leland Township

Schedule 4

Statement of Revenues, Expenditures and Changes in Fund Balance

Metro Authority Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Shared Revenues	\$ -	\$ 1,548	\$ 1,548
Total Revenues	-	1,548	1,548
<u>Expenditures</u>			
Total Expenditures	-	-	-
Excess Revenues (Expenditures)	\$ -	1,548	\$ 1,548
<u>Fund Balance</u> – Beginning of Year		-	
<u>Fund Balance</u> – End of Year		\$ 1,548	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 5

Page 1

Statement of Revenues, Expenditures and Changes in Fund Balance

Fire and Rescue Fund

For the Year Ended March 31, 2004

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes:			
Current Property Taxes	\$ 85,339	\$ 84,185	\$ (1,154)
Charges for Services:			
Run Fees	22,100	23,782	1,682
Other:			
Miscellaneous	-	100	100
Total Revenues	<u>107,439</u>	<u>108,067</u>	<u>628</u>
<u>Expenditures</u>			
Lake Leelanau:			
Salaries and Wages	-	6,773	-
Social Security and Medicare	-	509	-
Unemployment	-	302	-
Supplies	-	1,961	-
Contractual	-	228	-
Trash and Snow Removal	-	795	-
Accounting and Auditing	-	200	-
Sewer Use	-	448	-
Communications	-	273	-
Transportation and Travel	-	755	-
Printing and Publishing	-	4	-
Insurance and Bonds	-	5,993	-
Public Utilities	-	3,350	-
Maintenance and Repairs	-	9,545	-
Other	-	200	-
Medical	-	2,675	-
Education and Training	-	397	-
Capital Outlay	-	10,010	-
Total	<u>40,655</u>	<u>44,418</u>	<u>(3,763)</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Schedule 5

Page 2

Statement of Revenues, Expenditures and Changes in Fund Balance

Fire and Rescue Fund

For the Year Ended March 31, 2004

<u>Expenditures (Continued)</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Leland:			
Salaries and Wages	-	17,052	-
Social Security and Medicare	-	1,302	-
Unemployment	-	746	-
Supplies	-	5,112	-
Contractual Services	-	36,051	-
Accounting and Auditing	-	200	-
Legal	-	562	-
Dues	-	50	-
Sewer Use	-	448	-
Communications	-	819	-
Transportation and Travel	-	569	-
Printing and Publishing	-	92	-
Insurance and Bonds	-	5,993	-
Public Utilities	-	4,049	-
Maintenance and Repairs	-	8,209	-
Licenses and Fees	-	216	-
Other	-	150	-
Medical	-	4,785	-
Education and Training	-	2,017	-
Capital Outlay	-	12,290	-
Total	<u>89,725</u>	<u>100,712</u>	<u>(10,987)</u>
Total Expenditures	<u>130,380</u>	<u>145,130</u>	<u>(14,750)</u>
Excess Revenues (Expenditures)	<u>(22,941)</u>	<u>(37,063)</u>	<u>(14,122)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	23,000	19,770	(3,230)
Operating Transfers (Out)	-	-	-
Total	<u>23,000</u>	<u>19,770</u>	<u>(3,230)</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 59</u>	<u>(17,293)</u>	<u>\$ (17,352)</u>
<u>Fund Balance – Beginning of Year</u>		19,897	
<u>Prior Period Adjustment</u>		<u>80,283</u>	
<u>Fund Balance – End of Year</u>		<u>\$ 82,887</u>	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 6

Statement of Revenues, Expenditures and Changes in Fund Balance

Liquor Law Enforcement Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Grants:			
License Refunds from State	\$ 3,594	\$ 3,565	\$ (29)
Miscellaneous:			
Other	<u>2,000</u>	<u>119</u>	<u>(1,881)</u>
Total Revenues	<u>5,594</u>	<u>3,684</u>	<u>(1,910)</u>
<u>Expenditures</u>			
Contractual Services	<u>-</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ 594</u>	(1,316)	<u>\$ (1,910)</u>
<u>Fund Balance</u> – Beginning of Year		<u>14,906</u>	
<u>Fund Balance</u> – End of Year		<u>\$ 13,590</u>	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 7

Page 1

Statement of Revenues, Expenditures and Changes in Fund Balance

Library Fund

For the Year Ended March 31, 2004

	Amended Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State Grants:			
State Aid	\$ 3,000	\$ 2,573	\$ (427)
Charges for Services:			
Fees	3,000	3,244	244
Sales	2,000	1,742	(258)
Fines and Forfeits:			
Penal Fines	17,417	17,417	-
Book Fines	200	180	(20)
Interest and Rents:			
Interest and Dividends	-	8,222	8,222
Other:			
Donations	15,000	15,933	933
Unrealized Gain on Investments	-	2,686	2,686
Realized Gain on Investments	-	3,451	3,451
Total Revenues	<u>40,617</u>	<u>55,448</u>	<u>14,831</u>
<u>Expenditures</u>			
Salaries and Wages	-	36,780	-
Social Security and Medicare	-	2,537	-
Unemployment	-	1,958	-
Medical Reimbursement	-	1,000	-
Supplies	-	2,283	-
Trash and Snow Removal	-	706	-
Accounting and Auditing	-	1,520	-
Legal	-	520	-
Dues	-	844	-
Sewer Use	-	267	-
Communications	-	581	-
Transportation and Travel	-	127	-
Printing and Publishing	-	1,241	-
Insurance and Bonds	-	1,742	-
Public Utilities	-	7,102	-
Maintenance and Repairs	-	29,646	-
Other	-	461	-
Education and Training	-	45	-
Capital Outlay	-	3,818	-
Collection	-	29,983	-
Total Expenditures	<u>122,079</u>	<u>123,161</u>	<u>(1,082)</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 7

Page 2

Statement of Revenues, Expenditures and Changes in Fund Balance

Library Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess Revenues (Expenditures)	<u>(81,462)</u>	<u>(67,713)</u>	<u>13,749</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	81,462	52,700	(28,762)
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>81,462</u>	<u>52,700</u>	<u>(28,762)</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	(15,013)	<u>\$ (15,013)</u>
<u>Fund Balance</u> – Beginning of Year		192,077	
<u>Prior Period Adjustment</u>		<u>7,455</u>	
<u>Fund Balance</u> – End of Year		<u>\$ 184,519</u>	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 8

Statement of Revenues, Expenditures and Changes in Fund Balance

Marina Improvement Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest and Rents:			
Interest	\$ 4,000	\$ 4,331	\$ 331
Total Revenues	4,000	4,331	331
<u>Expenditures</u>	-	-	-
Total Expenditures	-	-	-
Excess Revenues (Expenditures)	4,000	4,331	331
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total	-	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	\$ 4,000	4,331	\$ 331
<u>Fund Balance</u> – Beginning of Year		405,644	
<u>Fund Balance</u> – End of Year		\$ 409,975	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 9

Statement of Revenues, Expenditures and Changes in Fund Balance

Fire Building and Equipment Fund

For the Year Ended March 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Property Taxes:			
Current Property Taxes	\$ 85,345	\$ 84,159	\$ (1,186)
Interest and Rents:			
Interest	<u>2,124</u>	<u>2,835</u>	<u>711</u>
Total Revenues	<u>87,469</u>	<u>86,994</u>	<u>(475)</u>
<u>Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>87,469</u>	<u>86,994</u>	<u>(475)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	<u>(19,770)</u>	<u>(19,770)</u>	<u>-</u>
Total	<u>(19,770)</u>	<u>(19,770)</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 67,699</u>	<u>67,224</u>	<u>\$ (475)</u>
<u>Fund Balance</u> – Beginning of Year		180,631	
<u>Prior Period Adjustment</u>		<u>80,283</u>	
<u>Fund Balance</u> – End of Year		<u>\$ 328,138</u>	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 10

Combining Balance Sheet

All Proprietary Funds

For the Year Ended March 31, 2004

<u>Assets</u>	<u>Sewer Fund</u>	<u>Marina Fund</u>	<u>Total</u>
Cash in Bank	\$ 191,726	\$ 264,910	\$ 556,636
Accounts Receivable	121,352	-	121,352
Delinquent Taxes Receivable	9,901	-	9,901
Special Assessments Receivable – Current	1,872	-	1,872
Due from Other Funds	9,319	-	9,319
Sewer and Marina Fixed Assets	7,066,131	813,379	7,879,510
Less Accumulated Depreciation	<u>(1,528,219)</u>	<u>(428,504)</u>	<u>(1,956,723)</u>
Total Assets	<u>\$ 5,872,082</u>	<u>\$ 649,785</u>	<u>\$ 6,521,867</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	\$ 149	\$ -	\$ 149
Assessment Payable	-	3,863	3,863
Due to Other Funds	167	10,787	10,954
Deferred Revenue	53,871	-	53,871
Bonds Payable	<u>1,225,000</u>	<u>-</u>	<u>1,225,000</u>
Total Liabilities	<u>1,279,187</u>	<u>14,650</u>	<u>1,293,837</u>
Fund Equity:			
Contributed Capital	4,026,814	-	4,026,814
Retained Earnings	<u>566,081</u>	<u>635,135</u>	<u>1,201,216</u>
Total Fund Equity	<u>4,592,895</u>	<u>635,135</u>	<u>5,228,030</u>
Total Liabilities and Fund Equity	<u>\$ 5,872,082</u>	<u>\$ 649,785</u>	<u>\$ 6,521,867</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 11

Page 1

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Funds

For the Year Ended March 31, 2004

	Sewer Fund	Marina Fund	Total
Operating Revenues			
Charges for Services	\$ 318,900	\$ 406,762	\$ 725,662
Total Operating Revenues	318,900	406,762	725,662
Operating Expenses			
Salaries and Wages	9,275	62,563	71,838
Fringe Benefits	1,423	9,349	10,772
Supplies	1,507	7,521	9,028
Gas, Oil and Fuel	-	251,856	251,856
Contractual Services	75,642	7,605	83,247
Trash Removal	972	1,010	1,982
Legal and Auditing	1,466	1,025	2,491
Communications	2,106	2,165	4,271
Transportation and Travel	-	351	351
Printing and Publishing	33	875	908
Insurance and Bonds	5,000	5,025	10,025
Public Utilities	16,737	15,310	32,047
Maintenance and Repairs	6,095	17,056	23,151
Depreciation	141,323	27,020	168,343
Licenses and Fees	-	447	447
Other and Credit Card Fees	3,422	7,272	10,694
Administration Fee	-	12,000	12,000
Education	-	1,000	1,000
Interest	72,156	-	72,156
Total Operating Expenses	337,157	429,450	766,607
Operating Income (Loss)	(18,257)	(22,688)	(40,945)
Interest Income	1,067	1,500	2,567
Total Non-Operating Income (Expense)	1,067	1,500	2,567

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 11

Page 2

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Funds

For the Year Ended March 31, 2004

	<u>Sewer Fund</u>	<u>Marina Fund</u>	<u>Total</u>
<u>Net Income (Loss)</u>	(17,190)	(21,188)	(38,378)
Depreciation Transferred to Contributions	89,302	-	89,302
<u>Retained Earnings – Beginning of Year</u>	<u>493,969</u>	<u>656,323</u>	<u>1,150,292</u>
<u>Retained Earnings – End of Year</u>	<u>\$ 566,081</u>	<u>\$ 635,135</u>	<u>\$ 1,201,216</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 12

Combining Statement of Cash Flows

All Proprietary Funds

For the Year Ended March 31, 2004

	<u>Sewer Fund</u>	<u>Marina Fund</u>	<u>Total</u>
<u>Operating Activities</u>			
Collection of Charges for Services	\$ 315,245	\$ 406,762	\$ 722,007
Collections of Special Assessments	2,042	-	2,042
Collections of Interest	1,067	1,500	2,567
Deduct Expenses Using Cash and Cash Equivalents	<u>(195,685)</u>	<u>(402,430)</u>	<u>(598,115)</u>
Net Cash Flow From Operating Activities	<u>122,669</u>	<u>5,832</u>	<u>128,501</u>
<u>Capital Financing Activities</u>			
Advance to Other Funds	(4,540)	-	(4,540)
Principal Payments	<u>(175,000)</u>	<u>-</u>	<u>(175,000)</u>
Net Cash Flow (Used By) Capital Financing Activities	<u>(179,540)</u>	<u>-</u>	<u>(179,540)</u>
<u>Net Increase (Decrease) in Cash</u>	<u>(56,871)</u>	<u>5,832</u>	<u>(51,039)</u>
<u>Balance of Cash – Beginning of Year</u>	<u>248,597</u>	<u>259,078</u>	<u>507,675</u>
<u>Balance of Cash – End of Year</u>	<u>\$ 191,726</u>	<u>\$ 264,910</u>	<u>\$ 456,636</u>

Reconciliation of Net (Loss) with Net Cash Flow from Operating Activities

Net Income (Loss)	\$ (17,190)	\$ (21,188)	\$ (38,378)
Add Depreciation	141,323	27,020	168,343
(Increase) in Receivables	(1,613)	-	(1,613)
Increase in Payables	<u>149</u>	<u>-</u>	<u>149</u>
Net Cash Flow From Operating Activities	<u>\$ 122,669</u>	<u>\$ 5,832</u>	<u>\$ 128,501</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 13

Statement of Revenues, Expenses and Changes in Retained Earnings

Sewer Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Revenues</u>			
Charges for Services:			
Usage and Connections Fees and			
Debt Retirement	\$ 343,000	\$ 316,836	\$ (26,164)
Interest and Penalties on Assessments	<u>5,000</u>	<u>2,064</u>	<u>(2,936)</u>
Total Operating Revenues	<u>348,000</u>	<u>318,900</u>	<u>(29,100)</u>
<u>Operating Expenses</u>			
Salaries and Wages	-	9,275	-
Social Security and Medicare	-	756	-
Unemployment	-	667	-
Supplies	-	1,507	-
Contractual Services	-	75,642	-
Trash and Snow Removal	-	972	-
Legal	-	426	-
Accounting and Auditing	-	1,040	-
Communications	-	2,106	-
Transportation and Travel	-	33	-
Insurance and Bonds	-	5,000	-
Public Utilities	-	16,737	-
Maintenance and Repairs	-	6,095	-
Depreciation	-	141,323	-
Other	-	3,422	-
Interest	-	72,156	-
Total Operating Expenses	<u>365,485</u>	<u>337,157</u>	<u>28,328</u>
<u>Operating Income (Loss)</u>	<u>(17,485)</u>	<u>(18,257)</u>	<u>(772)</u>
Interest Income	<u>1,039</u>	<u>1,067</u>	<u>28</u>
<u>Total Non-operating Income (Expense)</u>	<u>1,039</u>	<u>1,067</u>	<u>28</u>
<u>Net Income (Loss)</u>	(1) <u>\$ (16,446)</u>	<u>(17,190)</u>	<u>\$ (744)</u>
Depreciation Transferred to Contributions		89,302	
<u>Retained Earnings – Beginning of Year</u>		<u>493,969</u>	
<u>Retained Earnings – End of Year</u>		<u>\$ 566,081</u>	

(1) Budgeted from Retained Earnings

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 14

Page 1

Statement of Revenues, Expenses and Changes in Retained Earnings

Marina Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Revenues</u>			
Charges for Services:			
Moorage and Other Fees	\$ 122,000	\$ 121,825	\$ (175)
Launching Fees	2,500	1,128	(1,372)
Parking Meter and Fines	7,000	7,791	791
Pump Out Fees	2,500	2,405	(95)
Gas, Oil and Diesel Sales	<u>278,100</u>	<u>273,613</u>	<u>(4,487)</u>
Total Operating Revenues	<u>412,100</u>	<u>406,762</u>	<u>(5,338)</u>
<u>Operating Expenses</u>			
Salaries and Wages	-	62,563	-
Fringe Benefits	-	9,349	-
Supplies	-	7,521	-
Gas, Oil and Fuel	-	251,856	-
Trash Removal	-	1,010	-
Contractual Services	-	7,605	-
Accounting and Auditing	-	850	-
Legal	-	175	-
Communications	-	2,165	-
Transportation and Travel	-	351	-
Printing and Publishing	-	875	-
Insurance and Bonds	-	5,025	-
Public Utilities	-	15,310	-
Maintenance and Repairs	-	17,056	-
Depreciation	-	27,020	-
Licenses and Fees	-	447	-
Other and Credit Card Fees	-	7,272	-
Administration Fee	-	12,000	-
Education	-	<u>1,000</u>	-
Total Operating Expenses	<u>447,707</u>	<u>429,450</u>	<u>18,257</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 14

Page 2

Statement of Revenues, Expenses and Changes in Retained Earnings

Marina Fund

For the Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Operating Income (Loss)</u>	<u>(35,607)</u>	<u>(22,688)</u>	<u>12,919</u>
Interest Income	3,000	1,500	(1,500)
Transfer In	<u>5,587</u>	<u>-</u>	<u>(5,587)</u>
<u>Total Non-operating Income (Expense)</u>	<u>8,587</u>	<u>1,500</u>	<u>(7,087)</u>
<u>Net Income (Loss)</u>	<u>\$ (27,020)</u>	<u>(21,188)</u>	<u>\$ 5,832</u>
<u>Retained Earnings</u> – Beginning of Year		<u>656,323</u>	
<u>Retained Earnings</u> – End of Year		<u>\$ 635,135</u>	

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 15

Statement of Cash Flows

Sewer Fund

For the Year Ended March 31, 2004

Operating Activities

Collections of Charges for Services	\$ 315,245
Collections of Special Assessments	2,042
Collections of Interest	1,067
Deduct Expenses Using Cash and Cash Equivalents	<u>(195,685)</u>
Net Cash Flow From Operating Activities	<u>122,669</u>

Capital Financing Activities

Advance to Other Funds	(4,540)
Principal Payments	<u>(175,000)</u>
Net Cash Flow (Used By) Capital Financing Activities	<u>(179,540)</u>

Net (Decrease) in Cash (56,871)

Balance of Cash – Beginning of Year 248,597

Balance of Cash – End of Year \$ 191,726

Reconciliation of Net (Loss) with Net Cash Flow from Operating Activities

Net (Loss)	\$ (17,190)
Add Depreciation	141,323
(Increase) in Receivables	(1,613)
Increase in Payables	<u>149</u>
Net Cash Flow From Operating Activities	<u>\$ 122,669</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 16

Statement of Cash Flows

Marina Fund

For the Year Ended March 31, 2004

Operating Activities

Collection of Charges for Services	\$ 406,762
Collections of Interest	1,500
Deduct Expenses Using Cash and Cash Equivalents	<u>(402,430)</u>

Net Cash Flow From Operating Activities and Net Increase in Cash

5,832

Balance of Cash – Beginning of Year 259,078

Balance of Cash – End of Year \$ 264,910

Reconciliation of Net (Loss) with Net Cash Flow From Operating Activities

Net Income	\$ (21,188)
Add Depreciation	<u>27,020</u>
Net Cash Flow From Operating Activities	<u>\$ 5,832</u>

The Notes to the Financial Statements are an integral part of this statement.

Tobin & Co.

Leland Township

Schedule 17

Combining Statement of Changes in Assets and Liabilities

Current Tax Collection Fund

For the Year Ended March 31, 2004

	<u>Balance</u> <u>03/31/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>03/31/04</u>
<u>Assets</u>				
Cash	\$ 25,369	\$ 5,753,292	\$ 5,142,436	\$ 636,225
Total Assets	<u>\$ 25,369</u>	<u>\$ 5,753,292</u>	<u>\$ 5,142,436</u>	<u>\$ 636,225</u>
<u>Liabilities</u>				
Undistributed Taxes	\$ -	\$ 5,465,762	\$ 4,876,436	\$ 589,326
Due to Other Funds	<u>25,369</u>	<u>287,530</u>	<u>266,000</u>	<u>46,899</u>
Total Liabilities	<u>\$ 25,369</u>	<u>\$ 5,753,292</u>	<u>\$ 5,142,436</u>	<u>\$ 636,225</u>

The Notes to the Financial Statements are an integral part of this statement

Tobin & Co.

Leland Township

Schedule 18

2003 Property Tax Levy and Collections

For the Year Ended March 31, 2004

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	3.9648	\$ 1,033,743	\$ 926,241	\$ 107,502
County Road	0.4859	126,678	113,505	13,173
County Senior	0.2672	69,656	62,412	7,244
County BATA	0.3500	91,245	81,756	9,489
State Education	5.0000	1,303,662	1,248,992	54,670
School District:				
Leland	13.2013	2,335,665	2,229,363	106,302
Suttons Bay	23.2594	1,800	1,800	-
Intermediate School District	2.9929	780,337	747,613	32,724
Township:				
General	0.5100	132,961	119,134	13,827
Fire Protection	0.6776	176,661	158,289	18,372
Special Assessments				
Sewer		<u>14,440</u>	<u>4,539</u>	<u>9,901</u>
Total		<u>\$ 6,066,848</u>	<u>\$ 5,693,644</u>	<u>\$ 373,204</u>
Percent of Levy Collected	93.85%			

The Notes to the Financial Statements are an integral part of this statement.